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Maryland commission to investigate Potomac Edison, FirstEnergy ties amid scandal

By: Daily Record Staff July 27, 2021

Less than a week after the energy giant FirstEnergy Corp. admitted to its role in a $60 million bribery scheme in Ohio, the Maryland Public Service Commission began an investigation into what effects the scandal might have had on Potomac Edison, the FirstEnergy subsidiary serving parts of Maryland.

A charge of conspiracy to commit wire fraud under the deferred prosecution agreement would be dropped if Akron-based FirstEnergy Corp. complies over three years with a list of required actions in a deal with federal prosecutors, including paying a $230 million criminal penalty and continuing to fully cooperate with investigators.

The deal – signed off by FirstEnergy's president and CEO, and announced Thursday – comes in a scandal that has affected business and politics across Ohio since the arrests a year ago of then-Ohio House Speaker Larry Householder and four associates. Government officials say Householder orchestrated a plan to accept corporate money for personal and political use in exchange for passing nuclear bailout legislation and scuttling an effort to repeal the bill.

The Office of People's Counsel filed a petition to the Maryland Public Service Commission for an investigation on May 11, asking the commission to consider relief and order Potomac Edison's disaffiliation from FirstEnergy, according to a Tuesday news release from the Office of People's Counsel. It was not immediately clear whether the commission would consider those specific actions as part of its investigation.

"We are pleased the Commission agrees that an investigation is necessary," People's Counsel David S. Lapp is quoted as saying in the release. "This investigation is long overdue. Potomac Edison customers deserve to be assured they have not been and will not in the future be affected by the wrongful conduct of their utility's out-of-state owners."

Potomac Edison, which serves utilities customers in parts of Western Maryland, has seen its bond ratings lowered below investment grade, the release states.

FirstEnergy issued a notice to the Public Utilities Commission of Ohio on Friday that said its deferred prosecution agreement with the U.S. Department of Justice requires a re-examination of the company's previous denial that it used customer money to fund a $60 million bribery scheme to win legislative approval of a $1 billion bailout for two unprofitable nuclear power plants in Ohio.

And on Monday, a campaign spokesperson for Republican Gov. Mike DeWine announced the campaign had given away more than $130,000, the amount of money he received in campaign donations from FirstEnergy and company executives.

"With its filing, we hope FirstEnergy will be striking a more cooperative note with answers for consumers, though experience tells us to remain vigilant," Ohio Consumers' Counsel Bruce Weston said on Monday.

The Associated Press left a message seeking comment about last week's filing with FirstEnergy officials Monday.

Associated Press reporters Mark Gillispie, Andrew Welsh-Huggins, Julie Carr Smyth and Farnoush Amiri contributed to this article.

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